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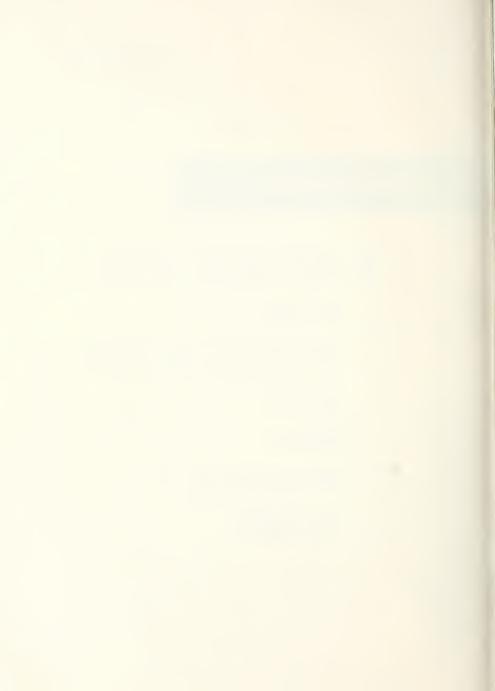
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ARTMENT OF AGRICULTURE

Supplement to

the FIFTH ANNUAL REPORT
of the
Secretary of Agriculture
on the
RURAL
DEVELOPMENT
PROGRAM



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About the Supplement

The Fifth Annual Report of the Secretary of Agriculture on the Rural Development Program has been issued as a summary report in printed form. Material included in the pages which follow is intended to supplement this summary report. The supplement has been prepared primarily for the information of agency workers and others concerned directly with the Rural Development Program at the State and local level.

A copy of the printed summary report may be obtained from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. It is entitled: Rural Development Program, Fifth Annual Report of the Secretary of Agriculture, September 1960.

I. Summary of Individual State Programs

Following is a condensed version of reports submitted July 1960 by Chairmen of State Rural Development Program Committees.

ALABAMA

The program was inaugurated in Alabama with the organization of a State Rural Development Committee in 1956. After consulting local people the committee recommended that pilot county programs be inaugurated in Chilton and Fayette Counties.

Prior to 1960 Rural Development work in Alabama was on a pilot county basis in Chilton and Fayette Counties. In 1959 the State committee was reorganized to include additional members, and a greatly increased interest was shown in the work. The RD Committees of Chilton and Fayette Counties requested expansion from a pilot county to an area program. Autauga, Bibb, Coosa, and Elmore Counties are to be included in the area program with Chilton County.

People living in areas adjoining Chilton County have similar problems, including those of production, marketing, and income. County committees observed that production of certain commodities in adjacent counties was already being marketed through facilities in the Chilton area.

Surveys are now under way in Autauga, Bibb, Coosa, and Elmore Counties. These surveys should be completed and actual work on Rural Development begun in these counties during August of 1960. A similar procedure will then be used in

counties adjacent to Fayette County.

Dr. E. T. York, Jr., Chairman of Alabama's Rural Development Committee in 1960 stated, "We are enlarging the Rural Development Program at the request of county committees in the two pilot county areas. These committees have made real progress during the past three years. Their success has attracted attention in other counties. We feel that Rural Development can assist families in low-income rural areas in adjusting to needed agricultural and economic changes. We must attract as well as expand industry and make possible off-farm employment if we are to maintain population in these areas. Rural Development presents an opportunity for all agencies and organizations to work together towards a satisfactory solution."

ARKANSAS

The program in Arkansas was initiated in August 1956, with work being started in three counties: Phillips, Van Buren, and Ouachita. In August 1957, Woodruff and Madison Counties were added. In March 1950, the work was initiated in a four-county area -- Sharp, Stone, Izard, and Indpendence Counties.

Work in Arkansas is considered to be on an individual county basis, except in the four-county area, which is considered on an area basis. The program was inaugurated in the four-county area in order to determine the advantages of working on a trade area basis involving several counties, and also the fact that the special labor project was undertaken in this area.

Some important results of the RD Program in this State during 1959-60: Industrial employment has been increased in one county to provide approxi-

mately 145 additional non-farm jobs.

Agricultural development was primarily devoted to developing markets for small farmers and up-grading existing enterprises. In one county an improved dairy and pasture program added an estimated \$160,000 to family incomes in the county. In another county markets for cash crops will provide seasonal jobs for 315 persons - mostly underemployed family labor.

All counties have considered ways of improving educational opportunities for youth. Two counties have received national recognition for sponsoring "Stay-in-School" campaigns and developing programs involving the youth themselves in

(1) career exploration and (2) recreational development. Career information leaflets have been placed in the high schools in three pilot counties. In one county, school districts joined together in hiring an attendance teacher who works with families to encourage them to keep children in school. In another county an attendance teacher was hired by the county. The Arkansas Rural Development Committee is developing, with the help of the Arkansas Education Association information about scholarships, loans, and job opportunities for college freshmen.

The RD committee in one county helped sponsor the establishment of a health unit for which a county health nurse was hired. In another, 18 persons qualified as first aid instructors and, in turn, taught first aid in five rural communities. In another county, with the assistance of a representative of the State health department, 1,700 persons received chest x-rays for T.B. in a two-week period. The RD committee is sponsoring a nursing home in another county where a high percentage of people are over 65.

RD committees have assisted local people in developing arts and crafts which

were sold for supplemental income.

The RD leaders in one county sponsored road improvement in three rural communities and the installation of some 35 telephones. REA loans to telephone companies have made it possible for rural communities in one county to receive telephones. Library service has been developed in one county.

Recreational development to attract tourists, a part of the total economic

development in the area, has been the aim of committees in three counties. In one county this led to the establishment of a planning commission, which will consider land use development around a lake area and planning for orderly

development around small towns.

Community development work has been a phase of the Rural Development Program in all counties. In one county, eight communities now have active improvement organizations.

Different activities being undertaken by groups in these counties emphasize the necessity of local people working together on all areas of concern. Groups assisting with the program for the last three years in Arkansas are beginning to see more readily the importance of this cooperation.

FLORIDA

Although Rural Development counties in Florida were officially designated in April 1957, very little improvement was evident before 1958. The first year was spent largely in organizing, publicizing, and conducting surveys to determine needed projects.

During 1958-59 both Washington and Suwannee Counties attacked several problems simultaneously. Both counties established subcommittees for various

areas of Work.

Washington County has added four small industries with annual payrolls totaling \$80,000. They employ about 30 people. But major progress in this county is not easily measured in dollars. It includes extension of water systems improved garbage and sewage disposal facilities, drainage canals, and new equipment for the health department.

More than 400 farm families have been aided through advice on livestock, farm management, and crop production; home beautification; nutrition. This was

the result of program emphasis in Washington County.

Suwannee County has a new well and water treatment plant in Live Oak and a new sewage system. The hospital was expanded and clinics established. The new recreation program has a full-time director with organized activities for 3,500 youths.

Farm yields have gone up as a result of improved practices given emphasis by the committee, including additional liming and fertilizing. The committee sponsored a vegetable curb market and improved other marketing facilities.

The subcommittee on industry has been responsible for adding six new industries employing about 250 people. Annual payroll amounts to more than \$600,000.

Future development in Florida's rural counties will continue to depend on local leadership. The knowledge gained in RD counties should contribute toward faster development in other areas. Many farmers will continue to need additional income from non-farm employment. As farms in northwest Florida become smaller in number and larger in size, more rural people will depend on full-time and non-farm employment. More than 20 rural counties in Florida are hoping to achieve fuller development through increased emphasis on local initiative and cooperation. As broader problems are attacked, development work may be placed on an area basis.

GEORGIA

The program was initiated in Georgia in 1956 with the formation of a State Rural Development committee comprised of 19 representatives of various agencies and organizations. Twiggs, Meriwether, Wayne and Habersham Counties were selected by the committee.

Accomplishments in the RD counties has been such to encourage expansion of this approach to all counties of the State. This action has been approved by the State committee, and the position of State Rural Development leader established.

The Rural Development concept and approach has brought about fundamental changes in the four counties.

Some of the results of Rural Development activity in Georgia include:

- New market outlets for five different farm commodities resulting in an estimated additional gross farm income of \$450.000.
- 2. Establishment of a \$250,000 packing plant.
- Establishment or expansion of 12 industries employing an estimated additional 820 people.
- Assisted in establishing two new health centers or hospitals.
- Established recreational programs reaching 8,000 people annually.
- Provided intensified on-the-farm assistance and counseling with low-income farmers.
- 7. Assisted in securing vocational training programs.
- Increased Social Security participation through an expanded educational program.

County Rural Development leaders say that attitudes can be changed. Most RD committees were startled when apprised of the true facts about their county situation. As one leader put it, "We had to wake up". Some were amazed at the tremendous amount of resource help available to assist in the solution of their problems. But the fact remains that the local people had to "help themselves". As one leader remarked, "We must find our own salvation".

ILLINOIS

The program in Illinois has been confined largely to two counties, namely Alexander and Pulaski. Progress is slow. Many small farmers have shown marked improvement in their operations and have increased their incomes. But attempts to expand the work into areas other than agriculture were resisted until recently. The idea that the program can be used to develop all resources in the county has now caught on with the leaders. Meetings have been held by agriculture, business, and community leaders to explore

possibilities. After considerable discussion they are looking toward the formation of a two-county resource development organization.

Some of the progress to date in the two counties:

Land capability information has been developed for 142,000 acres.

Two hundred and fifty farmers have received additional assistance in planning and managing their farm business.

A wood chip company has established a mill in the area. Six persons are employed, and approximately 100 units of pulpwood are purchased per day for processing.

A visiting nurse association has been formed.

Increased attention is being given to the need of vocational training.

A concern has started mining fullers earth. It employs twenty-two workers with an estimated payroll of \$78,000.

Airport facilities have been improved at a cost of about \$75,000.

A city water system is being installed in one small town. Community improvement is in progress in two towns and one rural community.

The health department was expanded.

One small watershed plan has been approved and is now in the work-plan stage.

Improvements have been made in the local lake facilities.
Road improvements have been accelerated in the two counties.
Home industries and an annual show to exhibit products have been encouraged and sponsored by the RD committee.

Improved pasture and meadow acreages have increased. Quality of livestock has improved.

Changes of attitude are among the most significant accomplishments since the Rural Development Program started in January 1957. It is anticipated that the program will expand to several more counties within the next year.

INDIANA

Rural Development work in Indiana started in January 1956, when both county and State rural development committees were formed. Perry County became the official "pilot" county, and for two years field activities were confined largely to that county. In recent months seven more counties

inaugurated programs.

Because of the comprehensive nature of Rural Development, it is difficult to credit the program directly with accomplishments made in the counties. All of the counties had on-going programs of many kinds. However, Rural Development has helped many agencies accomplish things more effectively. This is perhaps its greatest contribution: To make local groups of people more effective in doing what they want to do. The main ingredient added by the program has been education. This involves helping people understand the place of their area or community in the general economy and methods by which they can solve problems, including help available from the various agencies.

Here are some examples: Perry County has long had an aggressive program to attract industry. This activity began to pay off since the county became an RD county. Several new industries employing about 400 people have been started. It is difficult to assess the contribution of Rural Development to this progress.

A different kind of example was the county's quality egg program. Perry County had virtually no poultry industry, even though poultry had become an important enterpirse in surrounding counties. The RD committee decided

that if the county could compete in any agricultural commodity it could compete in poultry, and further that eggs were the most promising enterprise. As a result the county now has about 60,000 hens producing for a quality market.

Health surveys in Perry and Crawford Counties, both of which involved tremendous local effort, indicate another form of "education." In an economy move two years ago, Perry County decided to reduce salary and travel expense of the county nurse. As a result of the health survey, the RD committee was able to inform authorities of her contribution to the county, after which they increased appropriations for this service. Crawford County leaders located handicapped and retarded children. They found the Indiana Department of Public Instructions would bear almost the total cost of special training for them.

This understanding of what public agencies can do has been a significant contribution of Rural Development. The Clark County committee in its study found that the Urban Renewal Program would be of benefit to them. Switzerland and Ohio Counties found that the Indiana State Highway Department could be of much help to them. Crawford, Harrison, and Perry Counties found that the Indiana Department of Conservation had manpower available to help in developing forest opportunities. The Corydon High School developed an extensive adult education program after a study by the RD group indicated its feasibility.

As to the future of Rural Development, the idea is appealing to local people. Many other Indiana counties would like to enter the program. While the major effort must be expended by local people, professional assistance is necessary in both subject matter and analyzing problems and alternative solutions.

KENTUCKY

Rural Development began in Kentucky in 1956 and early 1957. Three trade areas were set up as pilot areas involving 25 counties with a pilot county in each of the three areas. Separate agency and lay committees were set up at county and area levels with an agency committee at the State level. Separate agency committees were organized so that agency workers would be able to sit down together, analyze the problems of the people, and agree upon major solutions.

Rural Development is conceived as total development at community, county, or area levels. The prime features of Rural Development have been (1) broad over-all programming, (2) close agency cooperation, and (3) the involvement of as much lay leadership as possible.

The county reports for 1960 echo very strongly the comment frequently heard among agencies at the State level, "Some of the best results of Rural Development in the State have been those of agencies working together."

(1) Agencies have found that they supplement each other's efforts and strengthen mutually the programs of all agencies. (2) The broader concept of the total needs of people has been a great help to agencies. A better understanding of each other's services has enabled agencies to do a better job of helping people to find and utilize resources.

Agreement has been reached that the answer to economic problems lies primarily in industrial development. The Kentucky Department of Economic Development lists the following industrial development in areas since 1955: New manufacturing plants, 1,888; expansion of manufacturing plants, 1,320; total industrial investment, \$27,377,500.

The department reports number of jobs in manufacturing during the period 1954-58 increased 8.4% for Kentucky. Barren County, which includes the trade center of the Glasgow Area, increased 9.7%; and in the Bowling Green Area, 20.1%. In the Ashland Area jobs in manufacturing increased only 3.5%, however.

The Tennessee Valley Authority is building a \$100 million power plant near the Bowling Green Area. A private firm is building a huge power plant near the Ashland Area. A \$20 million chemical plant has been announced for the Ashland Area since the above figures were released June 1.

Educational developments have taken place which would have been delayed many years except for Rural Development. An example of this is a bond issue passed in Metcalfe County providing funds for two new consolidated school buildings.

Health centers have been built that would undoubtedly have been delayed

much longer except for Rural Development.

Trade school classes to help farm people develop certain skills have been taught in Rural Development counties as a result of special funds allocated to the Bureau of Vocational Education for Rural Development work by the State. Over 200 special classes have been held by vocational agricultural and home economics teachers and trade schools to teach approved farm and home skills.

Rural Development counties are leaders in promoting better livestock. They are leaders in brucellosis-testing programs, and many, including Metcalfe, Lewis, and Elliott, have brought in several thousand dairy heifers. Other agricultural progress includes setting up feeder pig sales through which over \$100,000 of pigs are sold each year. The first sheep and wool sales were begun in two areas. Sheep numbers were doubled. New commercial vegetables are being grown in six counties. New markets and processing plants have been built.

LOUISIANA

Since the inauguration of the Rural Development Program in July 1956, and selection of three pilot parishes, there has been little change in the general structure and function of the program.

Organization includes a State committee which develops policy, selects areas where Rural Development is to be started, and offers guidance to agency workers and pilot parish committees in development and completion of action projects. An assistant Extension specialist (Rural Sociology) serves as coordinator of the program on a part-time basis.

By November 1956, three Louisiana parishes were selected to participate

in the program: Avoyelles, Franklin, and Washington.

There have been significant changes in pilot areas since the inception of the program. Assistance has been rendered to low-income farmers in their efforts to make adjustments in social and economic areas. New markets have been afforded farmers through the egg and watermelon program in Washington Parish, sweet potatoes in Avoyelles, and soybeans in Franklin.

Results have been noted in industrial development. Washington Parish saw the reactivation of the Washington Parish Canning Company. Avoyelles Parish passed a bond issue for \$200,000 to purchase a canning plant which will add income to farm and rural people in the area. In Franklin Parish activity has been along the lines of agriculturally related industry. Development of a potatoe shipping shed, erection of a grain elevator and dryer have all added income to this low-income area. The Rural Development Committee has worked diligently in efforts to develop a clothing factory in Franklin Parish.

Attention has been given to special on-the-farm assistance to low-income farm families, organized rural communities, surveys and inventories, and helping people to make social and economic adjustments from agriculture to other

occupations.

The Louisiana Rural Development Committee believes that the accomplishments in the past three years have far exceeded the expenditure of time, effort, and cost of the program.

The program was inaugurated in Washington County late in September 1956. A county committee has been formed with activities conducted in four general areas: Agriculture; business and industry; recreational development; and human resources.

These committees are much more broadly representative of all interests in the county than the traditional county extension program building committee.

Total additional annual income realized by Washington County people resulting directly or indirectly from RD activities or emphasis has been conservatively estimated at \$1.5 million.

This has resulted principally from expansion of wood products manufacture, a stabilized table egg industry, and modest but steady recreational development.

Outstanding projects include: (1) establishment of a new hardwood mill which utilizes high quality hard wood for which there had been little or no outlet previously; (2) establishment of a cedar mill which will provide semimilled material for boat manufacturing and for fencing and other novelty products; (3) completion of a 13-minute sound, color film depicting the recreational advantages and resources of the area; and (4) development of several access roads and boat landings on lakes and rivers in the county to encourage greater recreational use of these areas.

These major projects have all contributed to the two principal objectives of the program, namely to utilize more of the less important species of wood which is abundant in the county and to develop recreational resource potential for sportsmen and tourists.

MARYLAND

At the request of the Maryland Rural Development Committee, a meeting was held in Garrett County in March 1956, to discuss Rural Development and the possibility of organizing a county committee. The committee was organized April 1956, consisting of 17 local citizens.

In late June 1955, an advisory council of professional and agency people

was formed to assist the Steering Committee.

The greatest accomplishment in the Rural Development Program in Garrett County is the awareness of the people of their many varied interests and the need for understanding and cooperation to obtain group goals. Teamwork among agencies, in particular, has shown marked improvement, new interest and enthusiasm. Services available to the people are becoming better known and are being used to greater extent.

Some specific accomplishments in the past four years include:

- t. 1. More intensified interest and support of the $^{17}\mathrm{Farming}$ for Better Living Program. 11
 - 2. Establishment of a broiler dressing plant.

3. A hardwood plant has been established in the county through the efforts of the chamber of commerce.

4. Interest in recreation has increased through the effort of a local promotion council, which is supported by RD committee.

- 5. A joint project of the RD committee and the Social Security Administration has located persons who, though eligible for the Social Security program, were not drawing benefits. This has added \$7,000 annually to the retirement payroll in the county.
- 6. A labor survey has been conducted by the local people using a grant from the county commissioners.

MICHIGAN

The Upper Peninsula Rural Resource Development Program in this State is a community-in-action approach to area development. It is designed to -Help people study their communities and determine what

might be done to solve problems;

Bring a wide array of resources to people;

Involve many people and many agencies and organizations to design and carry out action programs for better living in the 15-county area.

Where feasible, continued efforts are underway to assist farm families to obtain enough land, capital, and management skill to meet the competitive pace of modern farming. Also important has been the work underway in several counties to further encourage off-farm employment.

A rural counseling service established in Baraga County in cooperation with representatives of business, industry, banking, agriculture, education, and local government has made available information to help farm families arrive at decisions on what changes, if any, should be made in their farming

operations and/or off-farm employment.

The search for new sources of agricultural income continues. Egg marketing cooperativeshave been organized in Chippewa and Houghton Counties with increased sales and producer prices. Strawberry production has expanded. Specially adapted vegetable varieties are helping to pave the way for increased farmer incomes. Soybean field tests look promising. Rural Resource Development demonstrations have been established with such new programs as cranberries and blueberries. Organization or reorganization of four cooperatives (egg and livestock) has resulted in increased farm incomes.

Improved forestry management and marketing are continuing. Christmas tree sales have increased. Six demonstration woodlots have been established within the past two years, in cooperation with Federal and State agencies, commercial and other private interests. Delta and Iron Counties are now preparing and regularly distributing forest product price information. Pine plantation thinning and fertilization trials have been established.

In keeping with the Peninsula's greatest potential -- tourist and resort industry -- educational programs have been further expanded. More than 600 adults and youth have received training to be better equipped for summer jobs. Federal, State, and local agencies, and private business have worked together to help plan and carry out the more than 20 training sessions. Restaurant operators' associations are now organized in Houghton and Dickinson Counties. Close cooperation is being maintained with 30 local chambers of commerce and their tourist committees. The improvement of tourist and resort facilities and management is an integral part of the program.

Youth programs have been broadened to include more than 4-H boys and girls. New approaches have been devised to pool resources in order to do a more adequate job of guidance and counseling with rural youth. A peninsula-wide youth workers council, which brings together professional workers representing Scouts, YMCA, the church, F.F.A., F.H.A., and others, is proving to be a valuable instrument in reaching more youth and helping coordinate major projects and activities of each organization.

The home industries program, begun in 1958, has now been expanded to include local stores in Luce, Gogebic, and Iron Counties. In the year just passed, 400 men and women sold arts and craft items through three stores.

A significant feature of the program has been the increased involvement of local people, who are collecting and analyzing community facts and developing programs to solve their problems. One or more studies has either been recently completed or is currently underway in all 15 counties: These have directly involved more than 1,000 local people -- each delegated definite responsibilities. Examples are school area and zoning studies, local government services, and many others. One example of the many achievements on the part of these local communities is the Delta Area school study which, when completed, resulted in a favorable vote for a \$3.5 million consolidated high school.

MINNESOTA

Three years ago the first county Rural Development committee was organized in Minnesota. Since then five more have become active. The six counties with programs are Hubbard, Itasca, Carlton, Clearwater, Beltrami, and Pine. Several other counties have shown interest in developing a program.

The trend has been towards more highly developed forms of organization in counties organized recently. Participation by agency personnel has generally been good. Participation by urban and nonfarm people is better when the term "area development" is used in place of "rural development."

Much of the effort is of an educational nature. Unless the local people understand their situation and what the possibilities and outlook might be, they will not be in a position to make intelligent decisions or select the best alternatives.

Rural Development, of course, is not the first attempt to deal with low-income problems. Many agencies have spent considerable time and effort on the problem over the past years. However, Rural Development attempts to coordinate the efforts of those concerned. Even more important, it develops local leadership that can intelligently make decisions and plan for the future.

County committees have worked on many projects during the past three years. The following are typical:

Preparation of industrial fact sheets.

Organization of Christmas tree growers' associations.

Organization of feeder pig marketing associations.

Establishment of markets for handicrafts, homegrown fruits and vegetables.

Area resource surveys.

Increase in farm management projects on small farms.

The people of an RD county do not necessarily base their acceptance nor evaluate the program on the projects which have been successfully completed. Many feel the knowledge and understanding they have acquired are more essential than immediate success.

MISSISSIPPI

Covington, Holmes, and Tippah Counties were selected as the first three pilot counties in Rural Development by the Mississippi Agricultural Coordinating Council in 1955. Amite County was selected as the fourth county in 1957. A fifth, Newton, was added in early 1959. The council approved 2 additional counties, Calhoun and Chickasaw, in February 1960, and in March 1960, 3 other counties, Lawrence, Simpson, and Yazoo.

Following are some important achievements in the State's program:
Rural Development counties report the addition of several
different types of new agricultural enterprises during the 1959-60
fiscal year. Approximately 1,000 farmers benefited, and 69

additional jobs were created as a result of these new enterprises, and approximately \$322,280 of new income. Five RD counties reported intensive on-farm counseling and assistance to 666 farm families. Enterprise contracting was promoted as method of improving income on some small farms, with a total of 743 farmers participating.

Many improvements were made in farm marketing during this past year in the counties. A number of new farm markets were established. Some of these new markets were: a milk producers association; cooperative feed mill; poultry processing plant; watermelon growers association; livestock sale; charcoal plant, as a market for undesirable species of hardwood lumber. One hundred and three employees were reported in these plants with an estimated payroll of \$369,000.

Special work in conservation and forestry resulted from the Rural Development Program. County-wide conservation and land-use planning activities were reported by 4 of the 5 RD counties. A program has been developed in one county to guide the long-time planning of soil and water activities in line with best use and conservation. All five counties reported that reforestation and other forestry projects are being emphasized as a result of the program.

Vocational guidance programs for rural youth have been activated. Some guidance is carried on through the vocational agricultural schools in the county, while other guidance is being accomplished through intensive counseling in high school. Aptitude tests were reported by all counties, a total of 4,307 students participating. Career exploration programs were reported by 4 counties including 21 different programs and some 1,315 participants. RD projects have been started to assist rural people in obtaining off-farm work through aptitude tests, on-job training, and machinery repair and maintenance classes in two schools.

Several projects were reported as initiated or actively promoted by RD committees to improve the general health and sanitation of counties. Projects included sewage systems built or expanded, community clean-up campaigns, water wells tested, community water supply expansion or new construction, rodent control campaigns, farm and home safety programs.

Considerable industrial and business development has taken place in the RD counties. Some 19 new plants are reported, potential employment of which is estimated at 2,444 full-time workers and 153 part-time workers, with a total payroll of some \$4.5 million. These plants vary from a tire-recapping plant employing 3 people to prefabricated house plant employing 125 people to a rubber products plant which will employ some 1,000 workers when it reaches full strength within 5 years.

Three counties report organization of rural community improvement clubs is a project of committees. Some 30 new clubs were reported.

MISSOURI

The State's Rural Development Program got underway in three pilot counties--Taney, Douglas, and Dent -- late in 1956. Since that time, three additional counties -- Howell, Izard, and Shannon -- have been added.

The Rural Development agent (Extension Service) placed in each of the six counties has two major tasks: To help with program planning, and to help the people organize for a development program. Representatives of many agencies and institutions serve as resource people to the local committees.

Missouri's program is essentially a county program at present, although, many of the activities underway carry over into surrounding counties.

County committees have been a strong force in helping communities create more off-farm job opportunities, develop their agriculture, provide more educational opportunities, and expand their community services and facilities.

Within the next year, almost 1,000 new full-time jobs and over 300 part-time jobs, with an annual payroll of \$2,750,000, will be available to people in the six Rural Development counties. This is a result of new industry being developed in the area. Local people have reached into their own pockets, worked with local banks, Small Business Administration, and used other sources of credit to secure the needed capital for the industrial development.

Strenghtening agriculture has also kept pace. Over 200 additional farm families have received intensive on-the-farm educational assistance. The use of farm credit has increased, as farmers attempt to enlarge and improve their farms.

Local businessmen assisted county livestock groups with 16 cooperative feeder pig and cattle sales held in 5 counties. Improving the quality of livestock produced in the area was a major goal as cattle grading meetings, production testing, and carcass demonstrations were held in Howell and Dent Counties..

More educational opportunities were provided in all counties as special courses were organized with the cooperation of the high schools, State department of education, and Rural Development committees. Courses included small business management, welding, farm management, typing, carpentry, and waitress training.

Career exploration by high school seniors was encouraged. Taney County completed a survey showing where high school graduates are going and what they are doing after they graduate.

Tourist and recreation Committees were active in Rural Development counties last year. A tourist hospitality school was held in Taney County, with 78 attending. About 60,000 copies of a brochure describing the Ozarks were published and distributed.

Other community improvement projects ranged from a special project to get telephones to landscaping public buildings in the community.

These and other projects were carried out by the local non-government leaders in the Rural Development counties, with assistance from the many public agencies working in the area.

MONTANA

The program in Montana has been developing over a three-year period in two counties. Ravalli County inaugurated the work in the latter part of 1957, and Lake County, early in 1958.

The criteria for selecting these counties was that they represented a six-county area in western Montana where average agricultural income has been low and considerable adjustment was needed. As is sometimes typical in low-income areas, schools and public services tend to be under-supported as compared to areas of greater average income.

During these first two years, agents and county leadership have been gaining the planning and development concept. They have been developing the leadership skills and understanding of the program necessary for coordinated, continuous effort. Committees have been formed and function well in both counties.

Production, marketing, and resource surveys and research projects are being completed in various counties by local people and university personnel, with the aid of workers of various agencies. These will give a better understanding of resources available, possibility for expansion in various activities as well as the attitudes and goals of local people.

Both counties are located in the interland of a larger trade center - Missoula - which lies outside and between them. A development effort in either of the two counties must include nearby counties.

As the committees study their resources, they have considered a wide range of improvement projects. Some of these have been undertaken, others

are being programmed.

Projects include new markets for agricultural products, cooperative drainage and water conservation projects, increases and changes in various agricultural acreages to more fully utilize present processing facilities or attract new ones, the promotion of tourists and outdoor recreation potential, and community clean-up campaigns.

Progress is being made, and the capacity of local leadership to analyze their problems and initiate a sustained effort toward accomplishment has been increased. It is probable that increased economic achievement could have been shown in this length of time by exerting greater pressure from outside the county. In the long run, however, the sounder approach is to develop the leadership and human resources of the area as an integral part of the projects for economic improvement.

NEBRASKA

Rural Development is now in its third year in Nebraska. The program was begun officially in fall 1957 as a pilot project, with the hiring of a resource development agent in Sherman County. Committees were organized, and in January 1958, a Rural Development specialist was employed.

In April 1960, the State Committee decided to designate counties other than Sherman County for intensive "pilot county" work. This action was triggered by the realization that many types of projects in Nebraska can best be operated on an area basis, and because of growing interest in several counties to organize development committees similar to the one functioning in Sherman County.

Several goals of the program in Sherman County have been realized during the past year.

After two years of study, experience, and organization, the period July 1, 1959 - June 30, 1960 has been quite successful. A partial list of Rural Development accomplishments:

-- The cooperative elevator and grain storage project, started the previous year, was completed. This business represents an investment of \$73,000.

-- Two additional Rural Fire Districts were organized. Most of the county is now protected by fire districts. Over \$18,000 in new equipment was purchased.

-- A sewage disposal system was completed.

-- A credit union was organized in Loup City, counterpart to one already serving the southwest part of the county.

-- Road reorganization was planned and developed to serve farm families and other people in an area surrounding the

Sherman Dam.

-- Long-time conservation needs of the county were projected by agency workers.

-- A pest control and eradication program was started in cooperation with U. S. Fish and Wildlife Service.

-- County-wide school reorganization planning was begun, with background information and statistics collected during the year.

- -- Special assistance and counseling with farmers, including insect control and identification, construction of grain storage and drying equipment, fertilizer programs for crops and pastures, farm record analysis and management, pasture improvement, and management. These projects involved work with over 70 farm families.
- -- Continued emphasis on the Great Plains program and ACP programs brought over 300 additional farms and thousands of new acres under specific plans and development for conservation and proper land use.

NEVADA

The program was instituted in Lincoln County, Nevada, three years ago. The county has been economically depressed for many years. Due to a rapid decline in mining operations and the removal of railroad shops at Caliente, the county seat, opportunities for employment disappeared. Many business firms were forced to close which further depressed local conditions.

Ninty-nine percent of land is under Federal ownership. There has been migration of the population from Lincoln County. At present, the major source of income is from agriculture.

In spite of this background, the Rural Development Program has made some definite contributions toward economic advancement in the county.

The program in Lincoln County is divided into four major areas of interest:

- 1. Agriculture
- 2. Industrial development
- 3. Education
- 4. Tourism

In agriculture two approaches are being followed. Because of the limited land now available for private use, the RD committee has been very active in new land developments in the county. The committee is also promoting a program that will increase present farm income on the existing farms, through new crops, better livestock practices, and building up the dairy industry.

The committee has been successful this past year in obtaining a new industry for the county, which started construction of an extracting plant. This plant will employ approximately 70 people. The University of Nevada is continuing a survey to determine the available resources and the industrial potential of the county.

The committee established Stay-in-School campaigns. The State department of vocational education plans to start a technical training program for local people to meet trained labor needs for new incoming industry.

An educational program for business people on how to serve tourists better was started this past year: The Rural Development committee has been very active. While many of the economic problems remain the program has given renewed confidence and hope to the people of the county.

NEW MEXICO

The State Rural Development committee was organized August 19, 1955. In 1956 the committee designated Santa Fe and Sandoval Counties as pilot counties in the program. In addition, seven other northwestern New Mexico counties -- Bernalillo, Catron, McKinley, San Juan, Rio Arriba, Taos, and Valencia -- were declared eligible counties under the program.

In March 1959, the area was expanded to include Mora, Guadalupe, San Miguel, Socorro, and Torrance Counties.

To utilize their time more effectively the State Committee has divided its membership into three subcommittees for agricultural development, industrial and economic development, and human development.

Two area committees have been established - one on soil and water conservation and one on development planning. These committees are special affiliates of the State committee.

County leaders have become increasingly aware of their situation which is characterized by low incomes, underemployment, and limited new opportunities. They are devoting time to committee work. They now have two county studies under way, in Rio Arriba and Valencia Counties, and have held numerous open-forum type meetings on such subjects as agricultural credit, new industry attraction, marketing of agricultural products, tourism, conservation, etc.

Greater emphasis has been placed on assisting youth. One hundred percent of the high school students receive aptitude testing. Six high schools held career exploration programs with 1,500 attending. Programs promoting education beyond the high school level were held.

The following health and sanitation facilities or activities have been developed this year: 11 sewage systems built or expanded; 8 garbage disposal pits constructed; 4 community clean-up campaigns; 1,200 water wells tested; 5 community water supply systems constructed or enlarged; 2 rodent control programs; 9 communities have held tuberculosis testing programs with 2,441 participants.

Five new industries have located in the RD area, with a total of 760 new employees.

NORTH CAROLINA

The program was initiated in North Carolina in 1955, although it was 1957 before county committees became active. Organizational framework for the program has been soundly established, and progress made thus far attests to the program's effectiveness.

Achievements in RD counties have been recognized in other North Carolina counties, which are now trying the concept of a coordinated approach to low-income problems. A successful campaign in Bertie County to obtain coverage for eligible people, for example, provided the spark for an 18-county district Social Security campaign during the 1959-60 reporting year.

Other outstanding projects in RD counties:

Anson County: Markets were developed and new crops promoted by swine tours, garden tours, neighborhood poultry meetings, soil sampling campaigns, garden contests, pasture contests, and other means. Partly as a result of this, there has been a tremendous increase in livestock and poultry production in the county and establishment of a cucumber market, resulting in an increase of over \$1 million in farm incomes.

Workshops in crafts, sewing, furniture upholstering and refinishing have been held. Markets have been secured and developed for crafts, specialty food products, and home-sewn clothing products.

An industrial resources brochure has been printed, and a county industrial director hired.

Bertie County: Projects conducted by the county Rural Development committee and workers assigned to the program include increasing rural telephone service; developing new agricultural enterprises and new sources of income; assisting eligible families in receiving social security benefits; industrial development; improving marketing of agricultural commodities; county-wide soil testing program; making an inventory of agricultural, industrial, and recreational resources; increasing efficiency of production and marketing of peanuts and cotton; improving forestry management and marketing; and intensifying work with low income farm families on farm and home problems.

Watauga County: The program has been a proverbial "shot in the arm" for Watauga County. Embracing all segments of community life, the program has effected a coordinate effort for improvement through greatly increased cooperation of the people.

Progress has been achieved in all areas of work. Industrial employment is up by 265. This has produced a five-year income of about \$1.5 million During the year 1959-60 this increase amounted to \$349,920. Construction under way now will provide approximately 100 more jobs in 1960. Improved operations have brought income of about \$300,000 to the county. District Soil Conservation plans are up 40% as compared with the period before Rural Development. Vocational guidance is now furnished to 75% of the youth in school; trade classes are being taught.

Looking ahead, we can predict that, as rural areas are remade, higher living standards will be realized for those who man farms and produce food and fiber. As industry expands, a job will be waiting for the farmer who finds that farming is not his "long suit." Subsistence farms will disappear. Commercial <u>family farms</u> will take on the characteristics of business organizations.

OHIO

In September 1955, a State $R_{\rm u}$ ral Development committee was formed, consisting of representatives of Federal and State agencies, farm organizations, and other interested groups.

Since then, work done in the two program counties designated -- Monroe and Guernsey -- offers an excellent example of what people can accomplish when they work together for their own betterment.

Rural Development has become woven into the entire Extension program in these two counties. Community leaders have organized resource development groups.

The program has also produced some impressive results in its first few years of operation:

- 1. County Extension agents have coordinated community programs to promote better land use and improve farm income.
 - 2. A tourist promotion association was organized as a result of efforts made by one of the $\ensuremath{\mathtt{RD}}$ committees.
 - 3. A full-time health department was established to serve Monroe County.
- 4. Through expanding and reorienting 4-H Club activities, young people in these areas are receiving more vocational counseling and guidance.
- 5. In Guernsey County a fertilizer dealers' short course was conducted. As a result the tonnage of lime and fertilizer sold has increased materially. All agencies and other groups cooperated in this project.
- 6. Tax valuations have increased in both counties as a result of industrial development, which provided additional employment and family income.
- 7. Local business firms have helped to finance new business.
 Rural Development in Ohio has brought about a positive change of attitude and pooling of resources for action on local problems.

OKLAHOMA

As was recognized from the beginning of Rural Development work in 1956, changes and improvements have been somewhat slow. However, there has been a gradual and progressive up-grading of conditions and an increasing understanding of the problems which must be solved in the three program counties, Cherokee, Choctaw, and Latimer.

As analysis of the county situations have been made, people have set up priorities and selected areas of work which offered greatest possibilities. People have come to realize that they must organize to do the job of development.

They now have a better understanding of what is available in the way of information, technical assistance, financial assistance, health facilities, etc. Prior to Rural Development, most people in these underdeveloped areas were not aware of the services available, or how these services could be brought to bear on problems.

The three RD counties were among the first in the State to draw up maps of neighborhoods and communities, and to select leaders to represent the people on planning councils. These counties are now developing a single plan of work. This plan will make a more unified effort on the part of all workers in a county.

Educational meetings have been held on a neighborhood, community, and county basis. Number of loans to full and part-time farmers has been increasing. Special practices have been set up to meet the needs of these smaller farmers. Farm planning with this group has been accelerated.

This is resulting in increasing efforts of individuals, families, and groups working toward self-improvement as well as improvement for the county.

People have been motivated to want to learn as much as possible about ways and means of improving conditions. To this end, representatives from each county have taken part in workshops, and have gone out of State to observe how other people under similar conditions are working together for mutual benefit. Progress will go forward more rapidly in years ahead because of the growth in the early years of the Rural Development effort.

Career guidance and vocational training are receiving much greater consideration in these counties than ever before. This is especially true among boys and girls of high school age and those just out of high school.

Some important projects completed or going forward in the State's three RD counties are: A nutritional improvement educational program; work with Grade-A dairy producers to make their operations more efficient; establishment of a nursery stock industry; organization of community improvement clubs; construction of new health facilities, including a hospital in one county; promotion of new industries.

OREGON

Lincoln County was selected for the program in October 1957, following organization of a State Rural Development committee in August 1957. Forest industries and the tourist business are the major contributors to the county's economy, with agriculture in third place.

Development of county resources and attractions for tourists are the major aims of the Rural Development Program in this coastal Oregon county.

Accomplishments of the Rural Development Program are encouraging. These include:

- 1. Individual farm and forest plans have been completed for 18 cooperating families; 20 other families have had individual counseling and assistance.
- 2. The U. S. Forest Service has launched a small sales program, giving farmers and farmer-loggers opportunity to participate in the harvest of this resource. Seventy-one such sales averaging 41,000 board feet were made last year. Two foresters are now employed to advance this program proposed by the Rural Development committee. Three additional hardwood mills have been built, employing 24 workers, with a weekly payroll of \$3,000.
- 3. Livestock numbers on Rural Development farms have increased over 50% due to improvement of pastures.

- 4. Trial plantings of holly, Clove artichokes, and blueberries have been established in several areas, part of the search for specialty crops for limited acreages.
- 5. Three welding classes of 10 weeks each were conducted at the suggestion of the RD committee.
- 6. At the request of the committee, a county-wide planning commission is now in process of organization. Rural zoning may be the ultimate result.

PENNSYLVANIA

Fayette County became a pilot county in Rural Development in November 1955, and Schuylkill in August 1956.

Rural Development-type activities are "catching on" in Pennsylvania, inside as well as outside the two program counties.

In the State, chambers of commerce and industrial development groups are aggressively active in bringing in industry to provide new employment opportunities. Huntingdon County is a good example. The county was threatened with the loss of a large wholesale grocery firm. Due to this problem, close working relations between agricultural and industrial groups developed. Real progress is now being made in improving the economy of this county.

Schuylkill County had a difficult situation at the beginning of the RD program. Local people now realize that the physical appearance of the county influences prospective industry, thus having a vital influence on their economic growth.

They are doing something about this. Towns now have a neater appearance. A start has been made at planting trees on mine dumps. People from the north and south areas of the county realize they do have common problems and can be brought together to discuss the situation and plan projects.

In Fayette County the situation is quite similar to that in Schuylkill. Two specific projects in this county can be cited: Development of a market for pulp wood and a recreation center. Rural Development had an active part in both of these projects.

The program has been on a county basis to date. However, problems do not stop at county lines. For the coming year plans call for work with up to five groups of counties as rapidly as the program can be activated. Thirty-four counties are included in these five groupings.

SOUTH CAROLINA

The program was inaugurated in South Carolina January 31, 1956, and started in three counties in fall 1956: Bamberg, Berkley, and Chesterfield.

In addition to an intensive county program, some Rural Development work has been initiated in all counties of the State, following patterns developed in the three counties.

The program undertakes to assist low-income rural families in improving farming methods, increasing the size of their farms, or relocating on more productive farms, and developing job opportunities for the underemployed.

In 1959 a total of 1,379 farm families in the State were assisted in materially improving their incomes. In addition, 3,239 low-income farm families were assisted in improving their family food supply, securing medical examinations and treatment, and improving the sanitary conditions of their homes and surroundings.

Some major accomplishments in the three counties in 1959-60:

- 1. Establishment of marketing facilities to improve truck crop production and marketing. (Bamberg County).
- 2. Initiation of an intensive soil fertility program for testing soils on every field of every farm. (Bamberg and Chesterfield Counties).

3. Developing plans to capitalize on recreational resources historical sites, and tourism. (Berkeley County).

4. Helping with improvement programs in 12 organized communities. The Shiloh Community of Chesterfield County won first place in the South Carolina Community Development Contest in 1959, receiving a cash award of \$350.00.

5. Conducting Stay-in-School campaigns.

6. Organizing and supervising home improvement contests. (Bamberg County).

7. Planning and carrying out an educational series in which 250 people participated. (Bamberg County).

8. Promoting community drainage projects to improve land productivity. (Bamberg and Berkeley Counties).

9. Providing intensive on-the-farm counseling and assistance, including information on farm and home management practices and record keeping.

10. Industrial and allied development and agricultural improvement that will provide some 1,500 to 2,000 new jobs.

TENNESSEE

Five counties are taking part in the program, Grainger, Hardin, Houston, Macon, and Marion, designated by the State Rural Development committee, which was formed late in 1955.

The basic value of Rural Development work is that it has brought people together to look at their situation, to understand it, and to become aware of their problems and the fact that together they can solve many of these problems.

Progress made by RD counties has exceeded that of other counties with similar situations. The following is a summary of major accomplishments:

New cash crops were introduced, bringing in an additional income of \$500,000 each year.

New farm markets are adding income of about \$50,000 each year by providing higher prices. Income from dairying in Macon County has increased from \$750,000 to \$1.5 million annually.

Approximately 5,000 rural families were visited each year and assisted with farm and home improvement. Some 2,500 women have attended workshops and clinics on home management and nutrition.

Three counties have secured 5 new industries, and 10 industries have expanded. Approximately 2,000 new jobs were created, with an increased payroll of about \$5 million.

Two counties have bought industrial sites and have voted a \$700,000 bond issue to build industrial buildings.

In order to provide more youth activities, 4 vocational training classes were started; aptitude tests are given all seniors; and 3 counties now have career days and offer a counseling program.

County research indicated the need for more conservation and forestry work. The following has been done: One thousand conservation plans completed; soil mapping on 500,000 acres; ten million trees planted; 1 active watershed and 2 in the planning stage.

In the field of health improvement, 2 new health centers were completed; 1 new hospital was built and another expanded; 3 full-time health nurses were employed.

TEXAS

Interest in the resource development approach to accelerating economic growth has continued to grow since organization of the six pilot county programs in fall 1955. Two district resource development committees have now been organized to support and expand the work to 41 of 45 designated counties in northeast Texas.

Following are a few highlights of the program during the past five years:

1955-56: Texas A & M College made a study of RD counties in Texas to serve as a basis for selecting pilot counties. Texas Agricultural Experiment Station initiated several studies to help identify specific approaches to a survey of human and economic resources in a 23-county area.

1956-57: State Rural Development committee was officially organized. State conference was held to explain what each agency could do in resource development.

1957-58: Two "agents in Rural Development" were employed to work at creating awareness of economic and social changes in 41 of the designated counties as a first step to formation of area development organizations. A specialist was employed to devote full time to helping coordinate program statewide.

1958-59: A tour of industries in a three-county area was arranged by local committees with the help of the Small Business Administration and agents in Rural Development. Community organizations were established to encourage study

and action to improve local situations.

1959-60: A series of State committee meetings in each of the six RD counties was completed. One hundred leaders from a 10-county area made a trip to Tupelo, Miss., to study the outstanding development program there. In two counties, new rural telephone lines were completed after more than two years of community effort. A new poultry-dressing plant was established in one county; a poultry canning plant in another.

VIRGINIA

The Rural Development Program, started in Carroll and Cumberland Counties in 1957, has caused people to become aware of some of their needs as well as potentials. Definite progress is being made toward improvement of living standards through more off-farm employment and a better use of farm resources.

A few tangible results of the program in the two counties are as follows:

1. Industrial, educational, and resource surveys have been made

and others are under way that will form the foundation for future work.

2. Communities, counties, and towns have joined together in one

common effort for area development.

3. The people of the Carroll-Grayson and Galax area raised over \$1 million for construction of a plant that will employ 1,000 people when completed. The local chamber of commerce assisted in location of a building for a new industry that will employ 100 people.

4. Joint agency efforts resulted in reforesting over 500 acres

of land and planting nearly 1 million pine seedlings.

5. A special feeder pig production and marketing program in Cumberland County added \$8,000 to the income of the county. Other new enterprises such as commercial laying flocks and aromatic tobacco have added another \$21,000.

A successful Rural Development Program cannot be imposed upon a community from outside. Real progress must come from the people themselves. Federal and State agencies and organizations can be useful as a catalyst and in supplying technical aid when the people themselves recognize the need and really want help.

WASHINGTON

An organized program was started in Stevens County in September 1957, with an agreement between the State College of Washington and the county commissioners.

Main aim of the program is to increase incomes and improve social welfare by stimulating and assisting local people in planning and implementing projects leading to more effective use of local resources.

Some accomplishments in the program to date:

--A town in the county was granted permission by the Washington Board of Education to inaugurate a junior college program of instruction. Community effort through Rural Development established facilities permitting this expansion.

--The forest use and management committee (anRD subcommittee) helped establish a post-treating operation, the only one of its kind in the area. The enterprise has created additional jobs and a new market for

forest products.

--A local company expanded operations. It is now the largest manufacturer of pole sockets in the U. S.

--Poultry farmers have formed an egg marketing cooperative.

-- A livestock sales yard organized in 1958 has proved successful.

Citizens of Stevens County now take a more positive outlook toward planning for social and economic development. Greater than all economic gains is this change in attitude and the new spirit among people in the county. Optimism has replaced defeatism; a positive philosophy has permeated their thinking.

WEST VIRGINIA

The West Virginia Rural Development Committee was organized in August 1955. Organization of the Lewis County Committee followed in February 1956. This was expanded to an area program with the organization of committees in Braxton, Gilmer, and Upshur Counties in February 1957. The Beckley Area Program including Raleigh, Fayette, and Summers Counties got under way actively in 1957.

Progress was made in both RD areas during 1959-60. For instance, in Lewis County, a plan was worked out to help reestablish sheep as an important farm enterprise. The RD committee and the Lewis County Farm Bureau cooperated on a plan whereby the Farm Bureau financed the purchase of Western ewes to be distributed on a contract basis to farmers. The start is small, but this may be the help needed to reverse the trend of decreasing sheep population in central West Virginia.

In the Beckley area, lack of volume in the production of vegetables and small fruits has hindered development of the Beckley Farmers' Market. This year the RD committee outlined a program to help farmers establish vegetable crops that will bring them into production at a more marketable time. This will enable the market to offer sufficient volume to attract buyers.

Bookmobile library service was established in two counties in the Beckley area. This is the first time that one county has had any kind of library service.

When Gilmer County farmers faced the choice of either losing their grade-A milk market or buying out the processing plant that had been handling their milk, the problem was put before the county by the RD committee. Several group meetings were held. Four persons bought the processing plant and formed a stock company. Present plans call for the plant to be relocated and to increase the volume of milk sold and processed, thus increasing market for grade-A milk produced within the county.

In Upshur County, as well as in other counties, community organizations have been effective in combining rural living and social activities into an enterprising rural community. Through these organizations, rural farm and nonfarm families have worked together to provide recreational facilities, beautify

their communities, and improve living conditions.

WISCONSIN

Price County started planning for a program in December 1955; and Sawyer

County, in April 1957.

Sawyer County has not had a large county RD committee or agency advisory group such as in Price County. The program in Sawyer County is carried out by project committees. When one of these ad hoc committees achieves what it sets out to do, it may disband and be reorganized as needed for other community or county projects.

Following were important projects in Price County during 1959-60:

The county RD committee for agriculture has been recognized to include all public agricultural agencies and service organizations working with farmers.

An industrial promotion group was formed. The group has been successful in getting several small industries established, and encouraging enlargement of one industry.

The county RD committee has set up a program to meet the needs of the aging

and those classified as retired.

Through the initiative of the RD committee, a program has been set up to meet educational needs of adults.

Sawyer County: Poultry expansion was an important project this year. Six hatchery flocks were set up, and a turkey expansion program started.

In recreational development, two lake development projects were completed. Three wood-producing industries were started or expanded, in large part due to U. S. Small Business Administration financing.

The RD program has the right approach of having people work together to solve problems of the area. Potential for development of resources in Sawyer County

is great.

PUERTO RICO

The RD program in Puerto Rico was started officially in September 1957 on an area basis. (Cedro Arriba area) Reaction of the people of the area to the program has been remarkable as evidenced by the pooling of their efforts to solve some of their most pressing problems. Two and a half years of work have brought about important changes in economic and social conditions in this area.

Some notable results in 1959-60:

--Prior to the Rural Development Program, the wholesale produce rural market established locally by the Puerto Rico Department of Agriculture was marketing less than \$300,000 annually. Last year about \$1 million worth of farm produce was marketed; and during the first quarter 1960, \$519,059 worth of produce.

--Two aqueducts were constructed to serve 412 families and a school with 225 children. Another aqueduct is under construction, to serve 230 families.

--Two additional roads and rural trails were finished, making a total of 22 kilometers constructed due to work of Rural Development leaders.
--Eighty-eight thousand fruit and lumber trees were distributed to small farmers.

--A new community center is being constructed for holding educational and religious meetings.

A most significant but intangible result has been in the changed attitudes of the people, who are now interested in helping with constructive activities in the area.

II. Federal and State Agency Contributions to the Rural Development and Related Programs, 1955-1960

The following is a condensed version of statements prepared by Federal departments and agencies represented on the Committee for Rural Development Program. These statements outline the contributions of Federal and cooperating State agencies to the program and related activities in rural areas since 1955.

Department of the Interior

The Department has arranged through its six field committees to maintain a close and continuing liaison, in the field, with members of local

Rural Development Program committees operating in their areas.

Through its bureaus in the field, a seasonal hiring program has been developed in the RD counties. This program gives priority attention for seasonal employment to qualified individuals in those program counties or immediately adjacent counties where the Department of the Interior has activities.

Since the Department of the Interior has no appropriations earmarked specifically for the Rural Development Program, and has not had during this five-year period, the Department has sought to perform a program role on a cooperative basis with local program representatives. This has often taken the form of attendance at meetings and primarily extending information and guidance to the local counties relative to Department of the Interior programs or current matters which might prove of assistance to them.

The Department has cooperative arrangements with the States in the areas of fish and wildlife activities; predator control; soil and moisture and weed control programs; programs affecting recreation development on reservoirs of Bureau of Reclamation projects; Geological Survey water quality and testing programs; mineral surveys; Bureau of Mines testing programs; National Park Service recreation studies, etc.

The Department has established a firm and continuing liaison with the Department of Agriculture for action in any specific areas of interest to the Rural Development Program where direct assistance can be given without a substantial expenditure of funds requiring specific appropriations or special legislative authorization for action.

Department of Agriculture

Through the Office of the Secretary of Agriculture and supporting administrative agencies, the Department is providing staff assistance to the Committee for Rural Development Program. This includes coordinating activities of Federal committees concerned with the program, liaison with the States, provision of general guidelines for program operations, public information, and Congressional relations. Participation of constituent agencies of the Department is summarized as follows:

Agricultural Conservation Program Service

Community benefits of soil and water conservation are stressed by the Agricultural Conservation Program Service as a constructive and significant

contribution to the Rural Development Program.

Since the program was initiated, ACPS has consistently encouraged Agricultural Stabilization and Conservation committees to actively participate. Each year the ACP National Bulletin directs ASC committees to give special consideration to the conservation problems highlighted in the RD counties. No additional funds or personnel are provided for this purpose. However, State committees within their authority have adjusted allocations to provide additional ACP cost-share funds to these counties wherever program activities indicate a need.

In reviewing field operations, and advising on annual State and county program formulation, the ACPS administrator and staff regularly call attention to ways local ACPrograms have been adapted in some RD counties, and suggest that rural development is a subject for concern and study in all counties.

ASC State committees have been furnished 1.7 million copies of a leaflet

entitled The Agricultural Conservation Program Helps Rural Development.

In 1959 an Information Letter was sent to all States pointing out how the local ACP may be adjusted and operated to meet more effectively special problems of low-income farmers. Examples of actual experiences and successful results obtained in RD pilot counties were included.

The ACPS staff also participates in area and national RD workshops and

conferences.

Agricultural Research Service

Findings of the Farm Economics Research Division have been widely used by national, State and local committees and groups to provide orientation to the situation and problems existing in the various low-income areas and to evaluate opportunities for economic development.

The research program includes studies in cooperation with 22 State agricultural experiment stations of major areas having concentrations of low-

production and low-income farms to determine:

(1) The nature and extent of the low-income farm problem and the characteristics and the use of resources, including labor, that are controlled by low-income families;

(2) Guides to changes in resource combinations and related institutional arrangements which would increase the productivity and incomes of these

families;

(3) The role of part-time farming:

(4) The factors associated with differing degrees of progress in solving productivity and income problems.

A statement based upon studies in several of these States will be found

on pages 36-43.

Family economic studies have been initiated by the Household Economics Research Division that provide information on the levels of living of families in several low-income areas and on the job-related expenditures of working wives and the changes in home management practices likely to occur as a result of their employment.

Studies of levels of living help local leaders become aware of the actual living situation of families in their areas and enable them to plan educational

and other programs to raise standards of living.

Information concerning the proportion of wife's gross earning that is likely to be available for family use if the wife accepts employment outside the home and what changes in home management practices may be occasioned by such employment is useful to personnel counselling families on ways to increase their income.

In addition to the initiation of these programs, other Home Economics programs that provide information relating to budgeting of family living funds have been expanded.

(Published reports of research described above are listed on page 48.

Farmer Cooperative Service

Contributions of the Farmer Cooperative Service to Rural Development stem from conducting research and providing educational material and advice to help farmers organize and operate marketing, purchasing, and service cooperatives. Specific work in Rural Development is centered in a Committee on Cooperative Service for Small Farmers which coordinates FCS projects and activities that contribute to this program.

Farmer Cooperative Service issued two Rural Resource leaflets: Co-ops Have a Place in Rural Community Progress acquaints RD workers with the role of farmer cooperatives in obtaining production supplies and services and in marketing farm products. The Rural Credit Union - A Place to Save and Borrow explains the operation of rural credit unions and the assistance they can provide in building rural communities.

At the request of pulpwood producers in Maryland and Pennsylvania and maple syrup producers in Pennsylvania, assistance is being provided these groups in solving their production and marketing problems through cooperative effort. Producers of forest products, including saw timber and maple syrup, in Wisconsin, Ohio, and Mississippi also are receiving assistance.

Other contributions of FCS to Rural Development include working with regional and national groups on program development and implementation, assistance to State and local RD workers on problems in specific areas, and related activities.

Various studies have been undertaken to develop better agency understanding of the place of farmer cooperatives in the Rural Development Program. One study provided basic data on the nature and extent of cooperative activity in the pilot counties originally included in the program. A current study seeks information from regional farmer cooperatives in RD areas on the present and prospective role of these associations in this program. It also emphasizes information and assistance needed to carry out the program effectively.

Federal Extension Service

State extension services, in cooperation with the Federal Extension Service, have worked closely with other departments of government, State, and county groups in setting up and carrying forward the Rural Development Program over the past five years.

Extension Services have furnished administrative services for State and county committees. With other Federal departments, Extension has worked with groups on the national and regional levels to explain concepts of the program and bring about a coordination of agency resources to promote expansion of Rural Development to areas in need of such a program.

Under Public Law 360 (84th Congress, 1955), the Smith-Lever Act was amended permitting funds appropriated under Section 8 of the Act to be allocated to States for Rural Development without the customary matching requirement. Subsequently, \$890,000 in special funds were made available and allotted each fiscal year to States having rural areas of serious underemployment. The work started as a pilot or demonstration program in 1956.

After 4 years, 30 States and Puerto Rico have established 73 pilot counties and 14 areas, bringing the total to approximately 210 counties. In these States 140 county and State extension workers have been employed. They assist local committees in carrying forward special activities that have as their aim the speeding up of beneficial economic changes.

While regular Extension programs do not exclude assistance to any farm family regardless of income, many families have not been able for one or more reasons to make full use of current Extension programs. Moreover, Extension resources were inadequate to provide all the assistance needed to produce desired results.

Through its regular educational program, Extension is contributing to the ability of residents of low-income farming areas to make the most of opportunities. This applies more directly to those having access to land, permitting at least some agricultural operations.

However, Extension's efforts are not restricted to agriculture per se. These efforts also involve; (1) helping people to understand how best to utilize the resources available to them; (2) helping residents of such areas understand how they, working together as well as individually, may improve their community resources and facilities to the end that the total economy

of the area may be improved.

Through its leadership position in connection with Rural Developmenttype programs, Extension can contribute in an even greater degree to general
economic development in such areas. In other areas where Extension's
resources permit, the agency contributes to the voluntary marshalling of
local resources, with the aim of providing maximum employment opportunities,
improving essential public facilities and programs, and otherwise improving
local economic and living conditions.
To summarize, Extension workers help Rural Development committees in:

- --- Making surveys and interpreting results;
- --- Securing research and other information;
- --- Identifying problems and objectives;
- --- Enlisting local support -- involving lay groups;
- --- Formulating programs to:

Develop resources -- human and natural, Expand employment opportunities, Develop or expand farm markets, Encourage more youth counseling and occupational guidance, Expand educational opportunities.

- --- Organizational procedures, choosing priority projects and setting time tables for completion of projects;
- --- Evaluating progress of the program (with help of specialists from land-grant colleges);
- --- Preparing reports, publicity, tours, etc.

Extension workers help farm families in Rural Development areas to:

- --- Identify their wants, needs, problems that are specific to their particular farm and families;
- --- Appraise their resources -- land, other physical resources, skills, and capacities;
- --- List and compare alternative opportunities available to them;
- --- Stimulate or motivate them to choose the alternatives that are "best" for them, take action and bear responsibility for the outcome;
- --- Assist young people in career explorations;
- --- Get recognition through radio, press, etc., for good work or accomplishments.

Forest Service

Forest resources are an important asset to rural communities. About half of the area in Rural Development Program counties is classed as woodland. When managed properly forests can contribute to economic wealth by providing marketable and usable goods and a source of gainful employment.

The Forest Service in partnership with State foresters provides technical forest management assistance to farmers and other small woodland owners. For the Cooperative Forest Management Program in 1955, the Federal Government allotted to the States \$533,565 and the States provided \$1,385,729. In 1959 the Federal Government contributed \$1,353,212; the States, \$2,391,120. Also the number of farm forestry projects has grown from 267 to 424. Much of the 59 percent increase in this type of work was stimulated by Rural Development Program activities.

In cooperation with bankers, State foresters, State Extension foresters, chambers of commerce, and other local leaders, the Forest Service has prepared a number of brochures advertising the forest resources of groups of rural woodland counties. The latest such release, Southern West Virginia Invites You to Share in Its Woodland Wealth, covers 14 counties and nearly 4 million acres of forest land.

Also in cooperation with other Federal agencies and with forest industries, the Forest Service has published Agriculture Information Bulletin No. 222, Forest Industry Opportunities in Rural Development. This publication points out that for every dollar the timber owner gets for his stumpage an average of \$17.60 more value is added to the original worth of wood by the time it reaches the ultimate consumer.

The Forest Products Laboratory has stepped up its research to find new and expanded uses for forest resources of the type found in abundance in rural areas.

Timber sales from national forests and other activities have been increased to provide greater employment of residents in rural forest communities.

Soil Conservation Service

The Soil Conservation Service has participated actively with each of the 30 State Rural Development committees and with all local committees functioning in the program.

An appropriation increase of \$477,600 was made in 1957 to provide for increased participation in pilot counties. An additional \$99,000 was earmarked for this purpose in 1958. Over 100 man-years of SCS technical assistance have been made available to selected RD areas each year with these funds.

Bringing about maximum use of soil and water resources is a job that has been given first priority in all program communities. In each RD area SCS has made available information from soil surveys to assist local committees in appraising the agricultural potentialities in relation to other alternative uses of land. These soil maps set out the basic soil resources. They also suggest the best use of land for crops, pastures, forests, industrial uses, or recreation. More than 2,500 farms each year in Rural Development areas have received help in planning and applying soil conservation measures.

Some developments stemming from special emphasis on soil and water resources include initiation of small watershed projects to prevent floods, improve the use of bottom lands, and develop water resources for new uses in the community.

Agricultural Marketing Service

Since establishment of the Rural Development Program, the Agricultural Marketing Service has provided program support through its research activities.

An initial contribution was collaboration in delineating the low-income and low level-of-living areas of the United States in which the work of the program has since been concentrated.

Cooperative research projects with State colleges and universities include studies of the educational attainment and occupational and residential plans of high school students in low-income counties in four States. Studies to determine the social and economic effects of introducing industries in rural areas have been conducted in five States. Other research of particular interest to Rural Development workers are studies of the adjustment to retirement made by older farm operators and the effects of a severe drought on the population of a low-income county.

Rural Development research in marketing economics has been primarily concerned with (1) specifying needed adjustments in marketing systems in low-income rural areas, and (2) determining the extent to which rural industries may provide alternative employment opportunities for rural people.

Three publications of AMS have been concerned with industrial development in rural areas and establishing guidelines for studing the economy of RD counties. A joint study with the Office of Area Development, Department of Commerce examined trends in location of manufacturing industries.

In addition to specific research projects, AMS has provided public and private organizations with information on means of indentifying rural areas of low-income and high underemployment. The agency has also been called upon repeatedly to advise the Secretary of Agriculture on legislative bills relating to Federal assistance in economic development.

Farmers Home Administration

The Farmers Home Administration's objective historically has been to extend credit and farm management assistance to farm families who need to improve their farms and farming practices but who are unable to do so with credit available from other sources.

The agency has made its facilities available in support of the Rural Development Program. Many part-time farmers, of which some RD counties have a high proportion, have been eligible since 1956 for various types of FHA loans, provided they are spending most of their time farming.

In December 1959 changes were made permitting operating and farm ownership loans to farmers in Rural Development counties, even though they might be spending a major part of their time in off-farm employment. This was done to increase the agency's ability to meet farmers' needs in the low-income areas.

Nearly \$40 million has been obligated by FHA through regular credit programs in RD counties. In FY 1960 the agency obligated nearly \$15 million in loans within its regular credit programs in these counties. This is an increase of nearly \$5 million over fiscal 1959 (However, the number of designated RD counties also increased).

FHA service includes assistance in farm and money management, advice in developing and carrying on good farming systems, county supervisors' attention to borrowers' problems, and credit counseling that often enables an applicant to arrange his activities so he can go ahead on his own or with credit from sources other than FHA.

Counseling with farm operators often uncovers circumstances that lead to seeking or improving income sources within or aside from farming. These circumstances and resulting courses of action are most likely to occur in Rural Development counties where there are many part-time farmers.

Rural Electrification Administration

Rural electric and telephone systems financed by the Rural Electrification Administration (REA) are serving in most of the Nation's rural counties. They are the dominant utility service organizations in the low-income rural areas toward which the Rural Development program is directed.

In 1956 REA took two steps to focus the attention of its utility borrowers on the significance of the Rural Development Program. The August 1956 issue of Rural Lines, REA's official publication, described the program and told how an electric borrower, the Choctaw Electric Cooperative of Hugo, Okla., was participating in the local county program.

Okla., was participating in the local county program.

In September 1956, David A. Hamil, Administrator of the agency, wrote the first of several letters to all borrowers explaining objectives of the program

and urging active participation where possible.

A special publication, Can Rural Development Change This Picture? and an exhibit, "The Before and After of Rural Development, followed. By May 1958, 104 electric and 36 telephone systems financed by REA were pioneering in local development programs.

At 40 regional meetings and four national meetings of electric cooperatives, between September 1956 and November 1959, Administrator Hamil urged the rural electric utilities to get behind Rural Development. He did the same before telephone groups, including the United States Independent Telephone Association. In addition, he made REA field personnel available to assist and advise local Rural Development Committees.

Borrowers, both cooperatives and companies, have shown a definite response to the need for rural area economic development, and are working closely with local development committees.

A few examples of this cooperation:

Alabama - The Alabama Electric Cooperative, a Statewide organization of REA electric borrowers, has employed a commercial manager to assist its distribution member cooperatives and municipalities in a drive to attract industries.

Arkansas - Two Arkansas electric borrowers and two Arkansas telephone borrowers work with the Madison County Rural Development Committee to help build up small industries.

 $\underline{\text{Georgia}} \ - \ \text{REA-financed electric cooperatives in Georgia are backing}$ a Statewide program to extend Rural Development into 115 rural counties they serve in the State.

Indiana - The REA telephone borrower serving Perry County has helped to make the local Rural Development Program a success. The manager served on an agriculture task force, and the president was chairman of the education subcommittee. A co-op director was a member of the better roads subcommittee.

<u>Kentucky</u> - Both the Grayson Rural Electric Cooperative Corp. in Grayson, Ky., and the Licking Valley RECC, West Liberty, have made strong contributions to the Rural Development Program. The manager at Grayson was elected chairman of the program in the Ashland area.

Grayson County in south central Kentucky, served by two electric co-ops, was selected in 1955 as the first test project of the Rural Electric Co-op Kentucky Utilities Association, an organization whose aim is to encourage rural area development. While surrounding counties have experienced a retail sales slump, Grayson County has noted an upturn, undoubtedly as a result of the 5-year development program.

Maine - The Eastern Maine Electric Cooperative, Calais, and its manager realize that "people don't spend money for electric appliances they can't afford". The co-op is doing all it can to promote more industries and resorts in its service area. New street lighting and many new store buildings, along with highways and park developments, have added to the appearance and well-being of the Calais Rural Development Program area since the "renaissance" began.

<u>Mississippi</u> - Mississippi Rural Electric Association, a Statewide organization of 20 rural electric co-ops, has had an action program in rural area development for more than two years. MREA established an industrial development department to stimulate agricultural and industrial development in the area served by each of the electric power associations in the State.

Oklahoma - The manager of Choctaw Electric Cooperative, Hugo, heads up the Rural Development Program agriculture committee for Choctaw County. The county RD committee raised \$145,000 in a 2-month campaign to build a factory for an incoming glove firm.

South Carolina - Cotton-growing is going out in the Piedmont land served by the Laurens Electric Cooperative, Laurens, S. C., and only a third of the tenants are left. The cooperative is helping to bring new industries into the area. Manager is director of local chamber of commerce, president of the Laurens Industrial Development Corporation, director of the bank, and of building and loan association. Co-op people work with prospective industries, sometimes providing engineers to survey tracts of land that manufacturers might find interesting.

Department of Commerce

During the past five years, the Department of Commerce has participated in the Rural Development Program principally through its Office of Area Development and 33 field offices.

The Office of Area Development has provided assistance to RD counties and areas on problems such as developing new industries based on local resources, expanding existing industries, attracting new industries, and developing tourist and recreational facilities. Through correspondence, publications, and field visits, the Office has advised on technical problems such as how to establish an industrial development corporation; how to locate industrial prospects; how to plan an industrial district; how to develop new products; and how to identify growth industries.

Many of the field offices have rendered similar assistance to RD counties and areas. Several field office managers are members of State RD committees.

Others attend State committee meetings as observers.

Personnel of the Office of Area Development and the field offices have also attended national and regional Rural Development meetings.

Department of Labor

Since inception of the Rural Development Program, the Department of Labor, through the Bureau of Employment Security and cooperating State employment security agencies, has made important, basic contributions to realizing objectives of the program. These contributions include:

(1) Inauguration of an experimental program to develop methods of providing

employment services to rural areas;

(2) Preparation of a new technical aid for use in developing labor market information on smaller areas;

(3) Close cooperation with State RD committees and assistance on special

projects in program areas.

The Experimental Rural Area Program was initiated jointly by the Departments of Labor and Agriculture to develop methods of providing assistance to rural low-income areas in planning and carrying out programs of economic self-improvement. At State and local levels, the program was carried out by State agencies cooperating with the two Federal Departments, i.e., State employment security agencies and the Extension services. One area in each of four States-Arkansas, Kentucky, Tennessee, Wisconsin--was included.

The Labor Department's functions in conducting this experimental program were:

(1) To determine current and potential manpower resources in the area;

(2) To assist in determining economic resources;(3) To assist in developing a program for economic adjustment.

The fundamental objective, however, was to develop methods more

effectively providing basic employment services to rural areas.

In the first phase, the State extension service, through county Rural Development committees, helped to initiate the program by introducing employment service personnel to area residents and leaders. A Rural Development committee (or its industrial development subcommittee) sponsored the program and helped mobilize public support.

The second phase of the experimental program was designed to collect all necessary manpower and economic information about the area. State and local groups were assigned to complete portions of an economic base report of the experimental area, while the employment service developed a manpower

resource survey and occupational potential study.

The manpower survey was a house-to-house sampling of the area's population. It included information about age, work history, labor force status, and job preferences of residents.

The technique for developing occupational potential information was entirely experimental, involving use of employment service procedures of aptitude testing and employment counseling. A temporary office was opened to register, test, and counsel as many area residents as possible, whether employed, unemployed, or underemployed, for the purpose of making a realistic inventory of their skills and potential skills useful in staffing industrial plants.

The program has now reached the third phase in the four areas: Assessing their possibilities for development and, in cooperation with local committees,

arriving at suggestions for economic adjustment.

Although it is too early to evaluate the overall value of this experimental program, it has succeeded in generating great enthusiasm for self-improvement. Two of the areas have already attracted new plants. All appear

to be tangibly profiting from the program.

The Bureau has issued a new technical aid for the use of State employment security agencies entitled Handbook on Development of Basic Labor Market Information for Small Areas. Most employment security agencies in the southeastern States have used the new handbook in preparing basic manpower data for rural counties, or are now doing so. Some State agencies in other parts of the country where there are low-income rural counties are are also developing information of this type.

Representatives of State employment security agencies are members of State RD committees coordinating agency participation in local programs. In many States, these agencies have directed special resources into county manpower studies, counseling programs, and development planning. In one State, Tennessee, an official of the State employment security agency is presently serving as chairman of the RD committee.

Department of Health, Education, and Welfare.

Because many of its programs and plans have a direct bearing on objectives of the Rural Development Program, the Department has an important role in the total program, and the Under Secretary is serving as vice-chairman of the Committee for Rural Development Program.

Most programs of the Department are in the form of Federal grants to States, generally on a matching basis. The States have the responsibility of administering these grants. For this reason, the staff of departmental regional offices are key people in advancing the Rural Development Program. They are in position to have first-hand knowledge of the nature and extent of the problems involved and can work most effectively toward overcoming them.

At the request of the Under Secretary, in each of the Department's mine regimal offices, "Committees for Rural Development" have been established with representatives of the Public Health Service, the Social Security Administration, the Office of Vocational Rehabilitation and the Office of Education. Members of these committees are encouraging States to take fuller advantage of Federal-State programs that would benefit RD Areas.

Office of Field Administration

The nine regional offices of the Department are taking an important part in the Rural Development Program. Especially have they increased their participation in FY 1960, during which there has been increased call for their cooperation.

In the Rural Development Program, the people themselves in local, rural areas identify their problems and initiate moves to solve them. Action by Federal agencies is in response to requests for advice and assistance from local and State officials and groups.

Directors and staffs of regional offices, including representatives of the Public Health Service, Office of Education, Social Security Administration and Office of Vocational Rehabilitation, are in an ideal position to know first-hand the problems in local areas.

At the request of Bertha Adkins, Under Secretary of Health, Education and Welfare, who was named this year as vice chairman of the Committee for Rural Development Program, each of the Department's nine regional directors has set up a regional Rural Development committee.

The committee in each regional office meets at regular intervals or whenever there is a special project under consideration. They invite members of Rural Development Programs to meet with them. Recently, Under Secretary of Agriculture, True D. Morse, Chairman of the Committee for Rural Development Program, addressed the HEW Region IV Rural Development Committee in Atlanta, Georgia.

These HEW regional Rural Development committees are prepared to consult with State officials and encourage them to take fuller advantage of Federal-State programs now available in the fields of health, education, and welfare. It has been found that sometimes State officials are not fully familiar with help at hand or of ways to make use of such help.

The Department's regional directors and regional representatives are encouraged to serve on State and local Rural Development committees. In several regions they are holding office. Representatives of regional offices are attending regional Rural Development conferences being held this summer and fall (1960). They participate as speakers and discussion leaders.

These Departmental representatives are joining their efforts with those of local and State officials, representatives of civic, industrial, and business groups in the Rural Development movement to better conditions for low-income rural families.

For example, managers of Old-Age and Survivors Insurance district offices in the regions keep in close touch with local committees and, in many cases, are members of State committees. In all areas they have conducted intensive public information campaigns to acquaint rural folks with OASI coverage and benefits. This is important when it is realized that in some low-income rural areas, OASI provides the largest single source of cash income.

The majority of programs of the Department are in the form of Federal grants, mainly on a Federal-State matching basis, to the States which have the administrating responsibility. Therefore, regional representatives in education and other programs are concentrating on helping their State counterparts and Rural Development leaders better understand the procedures and benefits available.

Special Staff on Aging

Recent coverage of farmers under Old-Age and Survivors Insurance has helped the economic position of rural retired persons, especially since, in many instances, retirement benefits can be supplemented by some income from continued farm employment and use of home-produced farm products.

It is unlikely that a significant proportion of older persons will leave rural areas. Therefore, a practical objective is to make life more livable for aged persons in their home areas. One approach which appears to meet a real need is the establishment of senior activity centers in small towns and villages.

Advance preparations for the White House Conference on Aging, January 1961, have resulted in State committees on aging being set up in States where previously there were none. One result has been the initiation of fact-finding surveys on the conditions of aging people in rural areas. It can be expected that results will be of value to those working in the Rural Development Program.

Office of Education

The Office of Education has an important role in the Rural Development Program. It is called upon for professional advice and technical assistance by State departments of education, and by colleges and universities in developing programs of value to rural youth.

According to recent estimates, approximately 65 percent of boys and girls

growing up on farms today will not find opportunities on farms.

This is a challenge to high schools, colleges, and other educational institutions to provide education and training in agriculturally related fields or in other occupations for this sizeable group of young people. They face a related challenge in the retraining of adults.

This is recognized by the Division of Vocational Education, through which funds are channeled to States in support of vocational education. One important section of the National Defense Education Act of 1958 provides funds to States for area vocational education to train highly skilled technicians need-

ed in this scientific age.

Thirteen States have moved to take advantage of funds available under this new legislation to set up area vocational programs serving one or more counties. These offer a wider choice of subjects than is possible in small community high schools.

Labor experts and educational authorities are emphasizing the importance of training and education for young people in our increasingly technological society. The Office of Education, with the Department of Labor, is cooperating with the Committee for Rural Development Program in urging State and local Rural Development committees to sponsor and promote "Stay-in-School" campaigns this fall.

Of particular value to rural young people is the program of testing, counseling, and guidance provided by the National Defense Education Act. The objective of this program is to identify the abilities of children and encourage each to reach his highest scholastic development and train for suitable employment or careers.

As a result of the 1956 Library Services Act, more than 30 million adults and children in rural areas have had access to books and educational materials. As a result of this program more than 5 million additional books are in circulation in rural areas and 200 bookmobiles are on the roads. Book circulation in all rural areas has increased about 40 percent.

Public Health Service

The Public Health Service, through its central and regional office representatives, has encouraged State health departments to further the objectives of the Rural Development Program by cooperating in surveys, planning, and action to meet health needs in program counties and low-income rural areas generally.

In many RD counties and areas, State and local health department cooperation has resulted in establishment of immunization clinics, expansion of local public health programs, improvement of local water supplies and methods of waste disposal, school health and safety projects, and health education programs. Following are typical examples:

The Indiana State Board of Health worked jointly with the State Extension

Service to assist Perry County in a survey of its health situation.

Maine's Department of Health and Welfare obtained a research grant to assist a medical school in a study of Washington County.

A Public Health Service medical officer has been assigned to the Kentucky State Health Department's tuberculosis program. The Department plans to develop clinic services for tuberculosis patients in a 14-county rural area where there is evidence of a high incidence of tuberculosis.

The Hill-Burton program administered by the Public Health Service provides Federal funds on a matching basis to communities for the construction of hospitals, nursing homes, diagnosis and treatment centers, and rehabilitation facilities. Among RD counties that have taken advantage of this financial aid in improving their health resources are Fayette and Chilton Counties, Ala; Santa Fe County, N. M.; Carroll County, Va; Latimer County, Okla.; Suwannee County, Fla.; Amite County, Miss.; and Bamberg County, S. C. Counties in the area around Duluth, Minn., were assisted in building a health center and rehabilitation center.

Public Health Service grants have been made to RD counties and areas to aid in financing water pollution control and sewerage projects. These include Sherman County, Neb.; Suwannee County, Fla.; Meriwether County, Ga.; and Chilton County, Ala.

Office of Vocational Rehabilitation

Disability is one of the major causes of low income. The objective of vocational rehabilitation is to help handicapped men and women overcome their disabilities, become self-supporting, or increase their earning capacity.

The Vocational Rehabilitation Program, a Federal-State endeavor, is of such recognized importance in rural areas that in many localities local rehabilitation counselors serve on county Rural Development committees.

When there is a reasonable prospect that an individual can be successful in an agricultural activity, State rehabilitation agencies have funds available to supply tools, livestock, equipment, as well as medical services and training.

Here are a few illustrations of ways in which vocational rehabilitation is improving the economic condition of low-income people in rural areas:

In Georgia, the State rehabilitation agency developed a program to teach the blind to operate greenhouses and nurseries. Some of the former trainees now work in commercial greenhouses and a number operate greenhouses on their own farms. In Louisiana, rehabilitation agencies employed specialists to train handicapped people in agricultural enterprises.

In Arkansas, persons so severely handicapped that employment in the open labor market was impossible were trained in ways to earn money at home, such as handling a telephone answering service and in arts and crafts.

In 1960 State vocational rehabilitation agencies rehabilitated in agricultural activities over 8,000 disabled farmers and agricultural workers who were unable to work and were without income. In the five years since the Rural Development Program was set up, it is estimated that 34,000 have been helped throughout the nation.

Social Security Administration

Although Social Security programs strengthen the economy of all communities, they are of especial importance in low-income rural areas. In some distressed counties, income under the Old-Age, Survivors, and Disability Insurance Program provides the largest single source of regular cash income.

In a number of Rural Development Program counties, Social Security representatives have worked with members of Rural Development committees in advising those eligible for Social Security on how to qualify for full benefits.

Also Department of Health, Education, and Welfare regional offices have been ready with information on four major Federal-State public assistance programs: Old-Age Assistance, Aid to Dependent Children, Aid to the Blind, and Aid to the Permanently and Totally Disabled. These programs provide cash assistance for basic necessities, medical care, and welfare services.

Of importance to the rural areas are programs of the Children's Bureau. Their programs of Federal grants to States make possible aid in rural areas for maternal and child welfare services, and services to crippled children.

The Rural Development Program was endorsed by the White House Conference on Children and Youth in May 1960. Many recommendations of this Conference dealt with the health, vocational training, recreation and guidance of young people in rural areas. The task ahead is action on these resolutions in local communities, through work of such organizations as Rural Development committees.

Small Business Administration

Small Business Administration participation in the Rural Development Program is based on developing additional job opportunities among small business concerns in communities serving rural areas. Existing small industrial concerns are counseled on management, production, and marketing problems, and are encouraged to expand their activities to provide more employment. Area resources, including raw materials and know-how, are explored for possible additional industries to be established on a "build-from-within" basis.

SBA also offers financial assistance to small business concerns in rural communities. In May 1960 the agency approved 58 loans totaling \$3,396,300 to small firms serving rural areas. For the 11 months, July 1959 through May 1960, the agency approved 541 such rural area development loans for \$30,144,400. All loans approved by the Small Business Administration in smaller towns and rural communities across the country, through May 1960, totaled 1,435 for \$91,969,343.

SBA cooperation with leaders of small communities and county RD committees has resulted in new industries in various parts of the country which offer additional off-farm employment. Included are poultry processing plants; a hardboard plant based on locally available hardwoods; apparel plants; a feed mill and pelletizing plant; and a lettuce packing, processing, and shiping plant which opened a new market area for commercial growers.

Farm Credit Administration

Farm Credit banks and associations are cooperating actively in local Rural Development Programs in their respective lending territories. Many officers, directors, and members of these credit cooperatives serve as program committee members in their communities.

Ample funds are available to finance farmers and farmers' cooperatives

where acceptable operating programs have been developed.

Financing farmers who combine farming with off-farm employment is particularly significant. For many years production credit associations have financed part-time farmers. At last report over one-sixth of the members served by these associations were part-time farmers. In 1955 Federal land banks also were authorized to make loans to part-time farmers. Through December 1959, land banks have made over 30,000 loans totaling about \$160 million to part-time farmers in all parts of the United States.

A publication, <u>Cooperative Farm Credit Can Assist in Rural Development</u>, (Circular E-44), was issued by the Farm Credit Administration. It outlines ways in which Farm Credit banks and associations assist in rural area development.

III. Changing Nature of the Low-Income Farm Problem

The following paper has been prepared by members of the Farm Economics Research Division, Agricultural Research Service

In the report <u>Development of Agriculture's Human Resources</u> released in April 1955 the following statement is made: "Farms with low incomes are found in all parts of the country, but such farms are most numerous in areas of dense rural settlement with high birth rates, where there are few outside jobs and where topography or other obstacles hinder the use of modern machinery."

The report delineated nine generalized areas with a moderate to serious problem of low incomes and levels of living in agriculture. These areas included most of the southeastern States with a northward extension in the Appalachian Mountains and border areas, the northern Lake States, northwestern New Mexico and scattered areas in the Cascade and Rocky Mountain Northwest.

Nature of Resources in Low Income Areas

Since the report was issued, a series of studies have been made in the areas designated as problem areas, in support of the Rural Development Program. In this major research effort local studies have been made in most of the major problem areas. A recent report2/ draws on seven of these local studies to indicate the nature of the human and other resources in the area, the levels and sources of incomes, and possible solutions. The studies were made in open-country areas and included both farm and nonfarm families. These areas are: north central and northwestern Florida, north central New Mexico, northern lower peninsula of Michigan, clay hills of Mississippi, eastern Ozarks of Missouri, northeastern Texas, and northeastern Tennessee. (Fig. 1)

Historical Development of the Economies

A brief historical review shows that in general the patterns of economic growth of the study areas have been very similar. Since the time of settlement they have depended heavily on nonfarm sources of income. Four stages of their economic growth are observed, namely: (1) pioneer settlement; (2) rapid exploitation of natural resources accompanied by an influx of people; (3) reduction of the resource base and decline in economic activity; and (4) marked readjustment in the utilization of resources.

The period of most rapid growth of the economies was between 1880 and 1910. Rapid expansion of railroads occurred during the early part of this period, permitting a more rapid timber harvest in all and the expansion of mining in several areas. Many people drawn to the areas during this expansion in economic activity turned to farming.

The low-income problem in these areas is a result of a decline in the physical resource base, both actually and in relation to other areas, as well as to the rapid increase in the population resulting from high birth rates with limited out-migration. The reductions in physical resources restricted both the farm and non-farm opportunities for employment.

^{1/} Development of Agriculture's Human Resources, A Report on Problems of Low-Income Farmers, prepared for the Secretary of Agriculture, U. S. Department of Agriculture, April 1955.

^{2/} Opportunities for Economic Development in Low-Production Farm Areas, Buis T. Inman and J. H. Southern, U. S. Department of Agriculture, In process of publication.

Income Levels

Net money incomes from all sources were very low among a large proportion of the rural families in the study areas. The relative proportions of farm and nonfarm families with net money incomes below the \$2,000-income level were essentially the same. The proportion of commercial farm families with incomes below \$2,000 was even greater in most areas than the proportion of either noncommercial farm families or nonfarm families. The proportion of all farm families with net money incomes below \$2,000 ranged from about one-fourth of the families in the north central Michigan area to almost two-thirds in the Mississippi area (Table 1). These proportions compare with slightly more than 40 percent for the Nation as a whole. Although farm income for the Michigan area was low, the income from nonfarm sources tended to raise the level above the national average.

Table 1.-Proportion of rural families having net family money income of less than \$2,000, study areas 1/

	Type of family					
Study area <u>2</u> / : : :	Nonfarm	: All farm	Commercial farm 3/			
:	Percent	Percent	Percent			
Morthwestern Florida:	54.0	57.1	59.8			
Michigan Cut-Over:	29.5	24.0	25.6			
: Mississippi Clay Hills :	58.1	63.6	65.8			
Missouri Ozarks:	54.5	57.6	64.9			
Northeastern Tennessee:	36.0	48.1	58.5			
Northeastern Texas:	48.6	50.3	65.6			

^{1/} Surveys were made during the period 1956-58.

Incomes of families in designated low-income areas of the South were somewhat lower than incomes in the North. In most areas studied, the proportion of nonfarm families with incomes below \$2,000\$ was only slightly less than that of farm families.

^{2/} Comparable net money income data for farm families were not available for the New Mexico area.

^{3/} Commercial farms are defined in the 1954 Census of Agriculture as: "In general, all farms with a value of sales of farm products amounting to \$1,200 or more were classified as commercial. Farms with a value of sales of \$250 to \$1,199 were classified as commercial, only if the farm operator worked off the farm less than 100 days, or if the income of the farm operator and members of his family received from nonfarm sources was less than the total value of all farm products sold." The Texas and Tennessee studies used a slightly different definition, but the data are comparable.

Source of Income

A major part of the net money income of rural families in low-income areas is obtained from nonfarm sources. This is true for farm as well as nonfarm families. For farm families net cash farm income ranged from only 20 percent of family income in the Texas area to 50 percent in the Mississippi area. (Fig. 2).

Opportunities for employment in industry, self-employment, service activities, and the timber harvest, as well as the physical capabilities of family members, determined the size of off-farm income. Income from nonwork sources included income from rents and other investments, Social Security payments, retirement payments of public and private agencies and companies, pensions, and relief payments.

Although farming is still the most common occupation in low-income rural areas, it is no longer the chief source of income of most families. The proportion of family heads who considered farming, either as operator or hired worker, as their major occupation ranged from a low of about 25 percent in the New Mexico area to nearly 45 percent in the Mississippi area. Dependence of farm families on nonfarm income combined with the similarity in income levels of farm and nonfarm families emphasizes the fact that the income problem of farm and nonfarm people of an area cannot be solved separately. (Fig. 3).

Population Loss, Severe

Although virtually all rural areas have been losing farm population, the loss from farms in low-income areas has been considerably greater than from the higher income areas. During the 1940-50 decade, net loss of population from farms in medium and high-income farm areas amounted to 28 percent, as compared with 34 percent from all areas classified as having low farm incomes. From 1940 to 1950 loss of farm population for the study areas was about 36 percent. This loss in population has continued in most areas. For example, by 1956, in the Missouri Ozarks study area, about 21 percent of the open-country 1950 population had left the area.

With the loss of farm population from the area and the increased employment of farm people in local nonfarm occupations, a partial adjustment has occurred in the use of labor. Adjustment has been along three lines. First, after completing high school, a large proportion of the younger people in these study areas left the area to work in nonfarm employment. Second, many people remained on the farm but reduced their farming activities to accept off-farm employment. Third, a large group has greatly reduced or even ceased farming entirely, chiefly because of age or physical handicaps that limit the work they can perform, or they are working elsewhere.

Limitations in Labor Capacities

Such characteristics of individuals as age, education, physical capabilities, and individual preferences are associated with the level of income and account for much of the low-income problem of the areas.

The low-income areas, characterized as areas of extremely high birth rates, have in recent years experienced heavy cut-migration, much of which occurs after graduation from high school. This out-migration of the younger working age groups is beginning to cause a lowering of the birth rate. The tendency toward a decline in the birth rate should serve as an increasingly important factor in further reducing numbers of people. However, in some of the areas a substantial number of people return after retirement or separation from employment.

Years of formal education received by an individual depended particularly on when he was of school age and accessibility of educational facilities. In general, educational level of people in areas studied was below national averages. A considerable part of this difference is due to the higher age level of the population resulting from outmigration of younger people with higher levels of formal education. The study in southeastern Ohio indicates that given age groups have achieved formal education equal to the average for the State.

Rewards for formal education in low-income areas are relatively small, since few job opportunities exist requiring the greater level of training. This results in better trained persons leaving the area to

obtain employment commensurate with their capabilities.

Limited productive capacity of the family head explains much of the relatively large proportion of low family incomes. Thus in the study areas a high proportion of family heads with net money incomes under \$2,000 had one or more of the following characteristics: 65 years of age or older, less than 5 years of formal education, a physical disability, or a female head of family. However, the proportion of all farm families in the nation with family incomes under \$2,000 and without the limiting characteristics listed is greater than for nonfarm families. This greater proportion emphasizes the underemployment of farm people.

Family incomes in low-income farm areas are closely related to the age of the family head. From the standpoint of family needs, the position of a large proportion of the low-income families may not be as serious as it would seem on first impression. This is because of fewer members in the family and reduced wants due to age. Where an older couple own their home and produce a part of their food, they may be in a fairly favorable economic position if they have no abnormally large expenses, such as results from prolonged illness. Younger families, where the wants of the parents are greater and there are also children to rear and educate, generally have a more serious problem.

Trend Toward More Extensive Systems of Farming

In general, the trend in the areas studied is toward more extensive systems of farming. This change has been most pronounced in effecting reductions in the use of labor by declines in the total amount of cropland in an area, and for an individual family, in less cropland per farm. At the same time, the acreage of land per farm has increased. Cropland is going mainly into pasture with some into timber and nonfarm uses.

Since 1930, value of agricultural products sold, when adjusted for price changes, has also declined in most of these low-income farm areas, further emphasizing the change that is occurring. Projections indicate that current trends in land use will continue at least for several years.

Large numbers of families transferring from farming to other employment have obtained remunerative employment. However, many of those remaining in farming have made few, if any, changes in the organization of their farms, other than changes brought about by the possible decrease in available labor. Idle land and unused buildings are common on many tracts, while neighboring commercial farms could use the additional resources. Many of these small tracts, however, will provide the residence of ex-farmers now occupied at nonfarm work or retired.

According to census data, the average size of farms has increased in these areas appreciably. However, this increase is more often due to the dropping out of small farms rather than the combination of small farms into larger units. Families that have obtained off-farm work quite

frequently hold on to their farms or tracts of land even though they have ceased to farm. Often a shift from small-scale crop farming to small-scale livestock farming occurs, an adjustment that favors off-farm employment.

Part-time farming has increased in the study areas as nonfarm employment became available. However, part-time farming is generally a transition from full-time farming to nonfarm employment. Also, part-time farming is considered a means of employing a fluctuating supply of family labor. For some families farming part-time, however, farm work provides a very low or even negative monetary income for their labor if normal charges are made for the invested resources.

Residential farms are frequently a more advanced phase in the transfer from farming. Usually, heads of these families have farmed on a larger scale, but because of advanced age, other physical limitations, or complete transfer to nonfarm employment they have ceased farming almost entirely. Also, some families have moved to the country as a place to live, but they farm on a scale sufficient to be classed as farm families.

These adjustments away from commercial farming rather than into farming in low-production farm areas leave considerable acreages of agricultural land which when idle grow up into brush. This process permits large acreages of cropland and pasture to pass into a less intensive use with less or no consideration of its desirability.

These lands frequently block physically the formation of economic units. Studies indicate that some of these lands are likely to be of higher quality than other lands in the area now in agricultural use. 3/ They may be valuable for enlargement of present farms, for the replacement of less productive lands for those who remain in commercial farming. Less productive lands could then be incorporated into forest lands for production of timber, recreational, urban, or other uses.

Emerging Problem Areas

In some of the areas delineated in the report <u>Development of Agriculture's Human Resources</u>, much of the present low income is associated with limited capacities of the underemployed labor force, that is, low levels of education, age, physical disability, etc. A large proportion of the younger people with more formal training have left these areas for employment. However, adjustments in the use of farm and other physical resources have been slower, as pointed out above.

In contrast to the rural areas classified as low income where many of the families are now part-time farm operators or rural residents, there appear to be other areas where small commercial farms predominate and a relatively serious problem of low incomes is emerging. These areas have continued to rely heavily on farm income. For various reasons adjustments in farm size and use of technology have occurred much slower than in other commercial areas. These areas have had less migration of population from farms.

This situation is illustrated by Census of Agriculture economic class of farm data for two State economic areas in Missouri. One of these, State Economic Area 8, in the eastern Ozarks, was classified by the report Development of Agriculture's Human Resources as an area of serious low income and level of living in agriculture. The other is State Economic Area 2a in north central Missouri. This area has a

^{3/} Gertel, K., Frey, J. C. and Marty, R. J. An Economic Appraisal of Use of Idle Land in Potter County, Pennsylvania for Crops, Pasture and Forest. Pennsylvania Agricultural Experiment Station Bulletin 642, 1959.

predominance of small commercial farms. Incomes and levels of living were not low enough in 1950 for the area to be classed as a problem area.

Table 2 shows that in 1954, 36 percent of the farms in the eastern Ozarks were commercial farms (classes IV, V, and VI) with a value of farm products sold of less than \$5,000. Four years earlier, in 1950, 43 percent of the farms in the eastern Ozarks had a value of farm products sold of less than \$5,000, while the comparable figure for the north central area was almost 63 percent.

Not only does the north central area have a much larger proportion of relatively low-income commercial farms, but also the rate of decline in numbers of such farms was slower than for the designated low-income area. The relatively high proportion of part-time and residential farms in the Ozark area reflects a relatively heavy dependence on nonfarm sources of income and the relatively large proportion of the family heads who have retired except for a very small amount of farming.

A comparison between a low income area in northeastern Texas and one not so classified which includes the Black Prairie of Texas, shows much the same relationship as for the Missouri areas. The Irrigated Valley Area of Utah which also was not classed as a low-income area had a relatively high proportion of class IV, V, and VI farms (Table 3).

The situation in morth Central Missouri would appear typical of other areas, including the southern border of the Corn Belt. Such areas have a large proportion of farms with a farm-oriented economic problem.

Concentrated effort and attention is needed to evaluate the nature of the problem in these kinds of areas, determine alternative adjustment opportunities, and put into operation a program promoting such opportunities.

Table 2.-Proportion of farms by economic class of farm for selected State Economic Areas of Missouri, 1950 and 1954. 1/

Economic class of	:_	Eastern Ozarks (Area 8)			North Central (Area 2a)		
farm	:	1950	1954	:	1950	1954	
	:	(Percent)	(Percent)	:	(Percent)	(Percent)	
I and II	:	1.0	1.0	:	5.5	7.8	
III	:	2.2	4.2	:	14.2	18.3	
IV, V and VI	:	43.2	36.3	:	62.8	55.8	
Part-time	:	21.4	22.4	:	8.4	8.0	
Residential	:	32.2	36.1	:	9.1	10.0	
Total	:	100.0	100.0	:	100.0	100.0	

1/ U. S. Census of Agriculture.

Classes I and II - value of farm products sold was \$10,000 or more. Class III - value of farm products sold was \$5,000 to \$9,999. Classes IV, V and VI - value of farm products sold were from \$250 to \$4,999. Class VI farms also required that the farm operator worked

off the farm less than 100 days.

Part-time farms - value of sales of farm products \$250 to \$1,199 if the operator reported (a) more than 100 days work off the farm in 1954 or (b) the value of non-farm income received by him and members of his family was greater than the value of farm products sold.

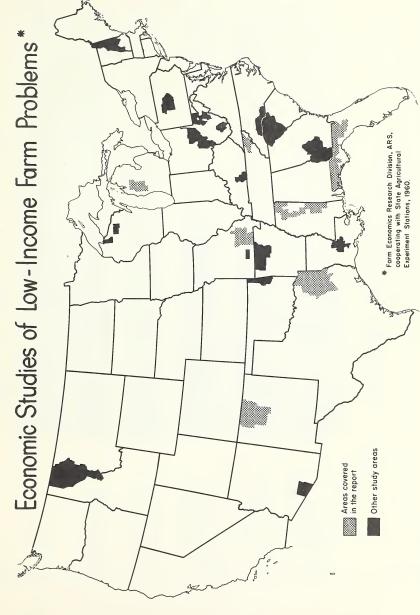
Residential farms - the total value of sales of farm products was less than \$250.

Table 3.-Proportion of farms by economic class of farm for selected State economic areas

Total	Residential	Part-time	IV, V, and VI		I and II 1/		Economic class of farm	
100.0	33.5	18.4	42.7	3.6	1.8	Percent	1950	Northeastern Texas (State Economic Area 12)
100.00:	40.2	22.4	29.8	4.4	3. 2	Percent	1954	rn Texas ic Area 12)
100.0	14.9	10.3	51.7	16.0	7.1 :	Percent	1950	Black Prairie of Texas (State Economic Area 8)
100.0	16.5	14.4	· 6*6t	12.7	6.5	Percent	1954	e of Texas mic Area 8)
100.0	5.5	11.9	45.0	20.3	17.3	Percent	1950	Irrigated Valleys of Utah (State Economic Area 1)
100.0	10.5	13.3	40.1	18.2	17.9	Percent	1954	eys of Utah ic Area 1)

1/ See table 1.

STUDY AREAS



45 -

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Figure 1

U S DEPARTMENT OF AGRICULTURE

Figure 2

28%	40%	50%	33% 55% 12%	33%	20%
FLORIDA	MICHIGAN	MISSISSIPPI	MISSOURI	TENNESSEE	TEXAS
Northwest		Clay Hills	Ozarks	Northeast	Northeast

Farm Off-farm work B Nonwork

FAMILY HEADS

Major Occupation Farm Operator or Farm Laborer

Other occupations %89X 18/2/2 Farm operator or farm laborer 45% 38% 35% 33% 32% 25% 25% North Central NEW MEXICO **Northwest** Northwest MISSISSIPPI Clay Hills Northeast MICHIGAN **TENNESSEE** Cutover MISSOURI Ozarks FLORIDA TEXAS

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14%

//31%//

46%

27%

RURAL FAMILIES

Figure 4

By Income Level

25%	26%	. 61%	25%	26%	42%	20%	22%	
FLORIDA Northwest	MICHIGAN	MISSISSIPPI Clay Hills	MISSOURI	NEW MEXICO North Central	TENNESSEE Northeast	TEXAS Northeast	N. S.*	

Less than \$2,000 52,000-\$3,999 555 \$4,000 & over

54%

*1957 DATA FROM BUREAU OF CENSUS

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